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PROGRESS REPORT - MANAGEMENT ANALYSIS OFFICE

October 1950 to December 31, 1951

1. CONCEPT

a. Presidential and Bureau of the Budget pronouncements point up the need for and prescribe management improvement programs in all Federal Agencies. The CIA Management Analysis Office therefore recognizes Presidential Executive Order No. 10072 in the performance of its functions. The Hoover Commission had the following to say regarding its inability to delve into detailed operations of agencies which it studied:¹

"This points to the need for continuous attention in each Agency to the problems of internal management by studying work-flow, organization, procedures and employee utilization. To fill this need we recommend that responsibility for management research become a definite and continuing task of top management in every executive Agency."

b. A comparatively small management analysis staff at the Agency level is provided to:

(1) Foster the use of management techniques within CIA.

(2) Coordinate management activity extending across organizational lines.

(3) Advise and assist operating officials in developing and installing management improvements.

(4) Examine Agency practices and stimulate corrective action on management deficiencies noted.

(5) Initiate ideas for over-all Agency administrative improvement.

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(6) Perform certain central management services.

Change in Class.

Declassified

Class. Changed to: TS S C

Next Review Date: *1969*

Auth.: HR 70-3

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By: *b7*

¹ Commission on Organization of the Executive Branch of the Government, Concluding Report, (Washington: U. S. GPO, May, 1949) p. 36.

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2. THIS IS WHAT WE HAVE DONE

a. In Increasing Management-Mindedness of the Agency:

(1) Collaborated in getting and training management personnel for the larger operating segments.

(2) Prompted the preparation of statement of functions through Branch level of Agency organization for most of the Agency operating offices.

(3) Stimulated management planning in CIA.

b. In Conducting Major Management Studies:

(1) Office of Current Intelligence - Developed, in conjunction with OCI officials, intelligence method to be employed, organization and functions, and operational procedures.

(2) Inspection and Security Office - Developed and installed procedures for more efficient operations.

(3) Medical Office - Effectuated procedural simplifications.

(4) Training Office - Consolidated administrative staffs.

(5) Covert Personnel Division - Simplified control and processing procedures.

(6) Foreign Documents Division, Office of Operations - Simplified procedures and indicated need for NSCID for exploitation activity.

(7) Procurement Office - Simplified control procedures.

(8) Agency Document Control and Routing - Effectuated direct dissemination of intelligence documents to desk level.

(9) Travel Procedures - Established Central Processing Branch and delegation of issuing authority to Office head.

(10) Communications Office - Established organization and procedures for administrative support.

(11) Intelligence Publications - Compiled list of existing publications and proposed plan for approval and control.

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c. / Participated in Development of New Agency Programs:

- (1) Establishment of unclassified translation service.
- (2) Vital Records Program.
- (3) Establishment of the [REDACTED]
- (4) Decentralization of inter-Agency operational liaison.
- (5) Improvements in Agency system for handling intelligence requirements.

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- (6) Covert book procurement program.
- (7) Establishment of index of employees in IID of SO.
- (8) Elimination of backlog in name check procedures in IID, SO.

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- (9) Establishment of the [REDACTED] Program.
 - (10) Institution of Agency Safety Program.
 - (11) Improvements in budget analysis system.
 - (12) Consolidation of reproduction facilities into one building.
 - (13) Establishment of policy on evaluation of CIA information reports.

d. / Participated in Development of Machine Techniques and Equipment:

- (1) Stock record accounting.
- (2) Unvouchered payroll, payroll checks and payroll accounting procedures.
- (3) Personnel locator files for emergency planning.
- (4) Agency telephone directory.
- (5) Personnel recruitment requirements and control.
- (6) Personnel statistical records.
- (7) Security clearance requests and reports.
- (8) Applicant and employee qualification records.

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(9) Scientific and technical data index through newly-developed Luhn Machine.

(10) Examination and adoption of "Justowriter" Machine.

(11) Preparation of [REDACTED] World Radio Broadcasting Index.

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e. In Provision of Certain Centralized Management Services:

(1) Prepared and issued Agency organization and functions.

(2) Processed numerous requests for Agency forms and table of organization actions. Consolidated Form 57 and PHS to provide one Agency application form.

(3) Consolidated Agency administrative instructions and reissued such as a manual of CIA Regulations. Assumed responsibility for integration of Covert Regulations (Confidential Funds Regulations) within Agency issuance system. Have in preparation a manual of procedures governing Agency-wide activity.

(4) Maintained continuing liaison with the Finance Office, Personnel Office and Office of Intelligence Coordination, providing advice and assistance as required.

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3. THIS IS WHY WE HAVE DONE IT

- ✓ a. The successful operation of an intelligence agency, particularly during a period of rapid expansion, requires an intensive management program in order to realign organization and procedures continually and thereby insure the achievement of desired goals.
- b. Approximately seventy-five per cent of the management analysis workload originates through requests from operating officials. Why these problems are referred to the Management Analysis Office can be explained as follows:
- (1) Certain problems transcend organizational lines and logically should not be assigned to anyone other than a generalist.
 - (2) Officials concerned with daily operations do not have the time or the background to solve many complex problems of a management character.
 - (3) There are many instances wherein objective recommendations by an organizational element not involved in an immediate problem are desired.
 - (4) Certain policy, program and functional problems require definition and resolution by top management of the Agency.

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4. THIS IS HOW WE HAVE DONE IT

- a. Continuing Management Services - With objectivity and by accurate full knowledge of all Agency segments continuing management services are performed on a daily basis. Responsibility for these services are assigned to specific individuals based upon the assumption that maximum utilization will be made of all Agency talent in taking a given action.
- b. Major Management Studies - Specific goals and terms of reference for the study are initially defined. A reconnaissance survey is next undertaken after which the particular areas requiring intensive investigation and specific problems to be resolved are defined. During the course of the study, the ideas and cooperation of all employees are solicited. Recommendations are made and, if approved, assistance is rendered in their implementation.
- c. Management Advice - Each staff member of the Advisor for Management is readily accessible to officials of the Agency on any management problem which may arise.
- d. Machine Techniques - The needs of operating offices for machine techniques are continually analyzed, and assistance is given in the development of procedures to be employed. Also, Agency projects involving the development of new office equipment are frequently initiated by analysts specializing in this field.

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5. THIS IS WHERE WE ONCE STOOD

a. The management function of the Agency was initiated at its inception and has grown up with it. However, during the first three years of Agency operation, it did not operate in the covert areas. Only just prior to the term of General Smith's administration management analysis was extended to the covert offices.

b. A considerable degree of autonomy existed within the organizational segments of the Agency during the first three to four years of its existence. Recent growth and additional responsibility has borne out the need for increased management emphasis.

c. The ever changing world political situation requires frequent changes in emphasis of CIA activities. Thus, there is an increasing need for management analysis.

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6. THIS IS WHERE WE NOW STAND

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a. Extension of management analysis to the covert segments of the Agency has greatly increased the Management Analysis Office workload. The complexity of covert operations has likewise added to the difficulty of the management job.

b. The considerable expansion of the Agency, the creation of new organizational segments and the problems posed by the Korean conflict have increased the tempo of Agency operations. This has required expenditure of considerably more management staff effort. Nearly every action now entering this Office must be coordinated with two or more other offices.

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7. THIS IS WHAT YET REMAINS TO BE DONE

a. In terms of management analysis activity, the most critical problems are in the covert offices. Several man-years of management analysis work would be required to bring the administration, organization and procedures of the covert offices to a comparable level of management effectiveness now achieved by the overt offices. Particular problems requiring attention in the covert offices are:

(1) Merger of OSO and OPC organizations with particular management emphasis on common services.

(2) Simplified document control and routing procedures.

(3) Standardized procedures for obtaining administrative support.

(4) Examinations of field organizational relationships and staffing patterns.

b. Another management problem requiring attention is the development of standardized coordination patterns which will protect the interest of all elements and still permit reasonably speedy action.

c. Major management studies apparently needed include:

(1) Definition of responsibilities of Senior Representatives.

(2) Clarification of the relationships of Training vis-a-vis Personnel.

(3) Standardized procedures for routing, handling, filing and disposition of administrative papers.

(4) Clarification and standards regarding the use, handling, processing and procedures of vouchered vis-a-vis unvouchered funds and personnel.

(5) Establishment of Agency work simplification program.

(6) Installation of an Agency progress reporting and evaluation system.

(7) Organization of and assignment of responsibility for developing and coordinating Agency-wide planning activity.

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- (8) Development of Covert Regulations and procedures.
- (9) Development of more effective controls over CIA organization.
- (10) Further utilization of machine methods.

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